



Beacon Lighting Group Limited

A modern interior scene featuring a long, black horizontal light fixture with multiple spherical glass bulbs, some of which are illuminated. The background shows a minimalist living space with light-colored walls, large windows with sheer curtains, and a dark console table. In the foreground, a white coffee table holds a blue vase and a black vase, with two black chairs visible. The overall aesthetic is clean and contemporary.

ANNUAL GENERAL MEETING

CEO Presentation - OCTOBER 11, 2017



DISCLAIMER



The Presentation contains “forward-looking statements”. All statements other than those of historical facts included in the Presentation are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. The Company will not necessarily release publicly any revisions to any such forward-looking statement.

The Presentation contains general background information about the Company and its activities current as at the date of this presentation. The information in this Presentation is in summary form only and does not contain all the information necessary to fully evaluate whether or not to buy or sell shares in the Company. It should be read in conjunction with the Company’s other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

This Presentation is not a prospectus, disclosure document or other offering document. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and does not form the basis of any contract or commitment.

CONTENTS



1 BEACON LIGHTING

2 FY2017 RESULTS

3 GROWTH STRATEGIES

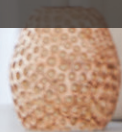
4 FY2018 OUTLOOK

5 QUESTIONS





1 BEACON LIGHTING



1 BEACON LIGHTING



- Beacon Lighting is Australia's leading specialist retailer of light fittings, ceiling fans and light globes.
- 50 years of operations in Australia.
- 107 Beacon Lighting Stores: 101 Company Stores and 6 Franchised Stores.
- Vertically integrated retailer. More than 95% self supply and more than 85% of products exclusively designed and branded.
- Beacon Lighting Commercial Sales Offices in 5 major capital cities, selling into volume residential developments and projects.



1 COMPETITIVE POSITIONING

50 YEARS
LIVING
BRIGHTER

Beacon
LIGHTING

- Beacon Lighting has the widest range of products, including the latest styles and designs.
- 280 accredited lighting design consultants who can assist our customers with their lighting designs and purchasing decisions.
- 107 conveniently located and well designed stores.
- A marketing program with a balance of new product releases and off price promotions.
- Store network supports the growth of online sales.
- The ability to tailor a lighting package to meet the requirements of the most cost conscious to the most aspirational customer.
- Premium Beacon Design Service available in 16 stores.
- Ability to offer customers bespoke manufactured lighting.



1 EMERGING BUSINESSES

50 YEARS
LIVING
BRIGHTER





2 FY2017 RESULTS

2 FY2017 KEY HIGHLIGHTS



- Record sales result at \$214.4m, increased by 11.0%.
- The opening of 8 new company stores, the purchase of 4 franchised stores and 4 new company stores in the process of being opened at the end of the financial year.
- Net increase of 11 company owned stores.
- Company store retail sales increased by 10.7%.
- Commercial sales increased by 16.2%.
- Beacon Solar sales increased by 142.5%.
- Online sales increased by 53.8%.
- Acquired 3 Lights for You stores.
- Acquired the Masson for Light store.
- Acquired the Licence for the GE Street Lighting business.
- Established new Beacon International businesses in Germany and the USA.



2 YEAR-ON-YEAR RESULT



\$'000	FY2016 ⁽¹⁾	FY2017	Change \$	Change %
Sales	193,179	214,404	21,225	11.0%
Gross Profit	123,483	135,640	12,157	9.8%
<i>Gross Profit Margin %</i>	<i>63.9%</i>	<i>63.3%</i>		
Other Income⁽²⁾	3,647	3,104	(543)	(14.9%)
<i>% of Sales</i>	<i>1.9%</i>	<i>1.4%</i>		
Operating Expenses⁽³⁾	(97,965)	(111,128)	(13,163)	13.4%
<i>% of Sales</i>	<i>50.7%</i>	<i>51.8%</i>		
EBITDA	29,165	27,616	(1,549)	(5.3%)
<i>EBITDA Margin %</i>	<i>15.1%</i>	<i>12.9%</i>		
EBIT	26,619	24,624	(1,995)	(7.5%)
<i>EBIT Margin %</i>	<i>13.8%</i>	<i>11.5%</i>		
Net Profit After Tax	17,800	16,644	(1,156)	(6.5%)
<i>NPAT Margin %</i>	<i>9.2%</i>	<i>7.8%</i>		

(1) Underlying Profit for FY2016. During FY2016, the Beacon Lighting Group implemented a new inventory valuation system and conducted a review of the supply chain costs to be capitalised into inventory. The effect of this change in methodology was to increase inventory and gross profit by \$0.7 million.

(2) Other Income includes other revenue and other income.

(3) Operating Expenses excludes interest, depreciation and amortisation.

3 GROWTH STRATEGIES



3 GROW & OPTIMISE CURRENT BUSINESSES



Target the growth of sales and profit through the optimisation of the existing store network.

Target the opening of six new company operated stores in Australia each year.

Offer an extensive range of the latest fashion and energy efficient products to our customers.

Enhance our on-line presence in order to drive incremental sales.

3 OTHER GROWTH STRATEGIES



Target the growth of sales and profit of the emerging businesses.

Investigate local and international business acquisition opportunities that complement the core business activities.

Target expense efficiency gains and manage the growth of expenses.





4

FY2018 OUTLOOK

- Company store comparative sales have made an encouraging start to FY2018.
- Emerging businesses have also made an encouraging start to FY2018.
- Four new company stores in Carlton (NSW), Bayswater (VIC), Crows Nest (NSW) and Gladesville (NSW) have opened.
- A new company store at Mentone (VIC) is expected to open in November 2017.
- Nunawading (VIC) franchised store was purchased and converted into a company store in July 2017.
- New opportunities continue to be investigated.
- Focus on improving the financial returns on the investments made in recent years.
- Beacon Lighting is looking to deliver record sales and profits in FY2018.



5 QUESTIONS

